



# Thrift Savings Plan BULLETIN

for Agency TSP Representatives

**Subject:** Processing Agency Submissions in the New Record Keeping System

**Date:** March 30, 2000

This bulletin outlines the procedures that agencies must use to report employee data and Thrift Savings Plan (TSP) contributions to the TSP record keeper after the new TSP record keeping system is implemented. Attached to this bulletin are copies of the revised record layouts and Form TSP-2, Certification of Transfer of Funds and Journal Voucher. Agencies may use these materials to make the necessary changes to their automated systems. The TSP record keeper, however, will not accept the new materials until October 1, 2000, and agencies must continue to use the current record layouts and the current Form TSP-2 until that time.

This bulletin supersedes TSP Bulletin 99-2, dated February 5, 1999, to reflect new dates resulting from the deferred implementation of the record keeping system (see TSP Bulletin 00-02, dated January 19, 2000) and to modify slightly the payment records and JV that were attached to that bulletin (see section IV and Attachments 2, 3, 4, and 7 of this bulletin).

This bulletin also eliminates the *de minimis* requirements that were contained in TSP Bulletin 99-2. As our work on the development of the new record keeping system progressed, we determined that the processing of all payment records, as described in this bulletin, would not delay the processing of other transactions or overly burden the system. Consequently, all negative adjustments submitted by agencies will be processed, and the investment considerations for certain makeup and late contributions will not be subject to a *de minimis* amount.

*(continued on next page)*

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**Inquiries:** Questions concerning this bulletin should be directed to the Federal Retirement Thrift Investment Board at **202-942-1460**.

**Chapter:** This bulletin may be filed in Chapter 6, Establishing and Maintaining Accounts.

**Supersedes:** This bulletin supersedes TSP Bulletin 99-2, Processing Agency Submissions in the New Record Keeping System, dated February 5, 1999.

## I. Introduction

The new TSP record keeping system will be a daily valued system, which means that accounts will be valued every business day. Consequently, loans, withdrawals, contribution allocations, and interfund transfers will be posted every business day. The new record keeping system will also offer five investment funds. In addition to the Government Securities Investment (G), the Fixed Income Index Investment (F), and the Common Stock Index Investment (C) Funds, there will be a Small Capitalization Stock Index Investment (S) Fund and an International Stock Index Investment (I) Fund.

The new system will be share-based. This means that participants' investments in each of the five funds will be stated in shares as well as dollars. The daily value of the portion of a participant's account in any investment fund will be determined by multiplying the number of shares held by the participant in that investment fund by the daily share price for that investment fund. A participant's total account balance is the sum of his or her balances in the five investment funds. When contributions and loan payments are deposited in a participant's account, the participant will buy shares at the daily share price for the applicable investment fund. Because share prices may change daily, the number of shares bought with a fixed dollar amount may change daily. As share prices rise, fewer shares will be purchased, and as share prices decline, more shares will be purchased. When the new system is implemented, participants' account balances in the old system will be converted from dollars to shares in the G, F, and C Funds. The number of shares held will be determined by dividing the closing account balance in the old system by the opening share price of \$10 for each investment fund.

## II. Definitions

- A. **"As of" date** is used by agencies on payment records which report makeup and late contributions, as explained in Section IV. It is the previous pay date for which TSP contributions should have been made.
- B. **Attributable pay date** is used by agencies on Negative Adjustment Records to remove erroneous contributions previously reported, as explained in Section IV.D. It is the previous pay date for the original (erroneous) contribution or, if the original contribution was a makeup or late contribution, the "as of" date for the original contribution.
- C. **Breakage** is the loss to agencies incurred (or the gain to the TSP realized) as the result of posting transactions as of an earlier date, generally to correct administrative errors. The process of determining breakage is described in Section V.
- D. **Contribution allocation** is the distribution of a participant's future contributions and loan payments among the TSP investment funds.

- E. **CSRS** refers to the Civil Service Retirement System, including CSRS Offset, the Foreign Service Retirement and Disability System, and other equivalent Federal retirement systems.
- F. **Current pay date** is the agency's established pay date for its payroll submission. It is reported by agencies on the Header Record for the payroll submission and on the Form TSP-2, which accompanies the payroll submission.
- G. **FERS** refers to the Federal Employees' Retirement System, the Foreign Service Pension System, and other equivalent Federal retirement systems.
- H. **Interfund transfer** is the redistribution of a participant's existing account balance among the various TSP investment funds.
- I. **Late contributions** are Employee Contributions that were timely deducted from a participant's pay but were not timely reported to the TSP record keeper. The term also means Attributable Agency Matching Contributions and Agency Automatic (1%) Contributions that were not timely reported. Late contributions also include resubmitted contributions that may have been reported on time but that were not processed by the TSP because the payment records contained agency errors.
- J. **Makeup contributions** are TSP contributions that should have been deducted from a participant's pay or (in the case of agency contributions) charged to an agency on an earlier date but were not deducted or charged and, consequently, are being deducted or charged for the current pay date.

Employee makeup contributions include missed Employee Contributions resulting from an agency's failure to deduct the proper amount from pay, missed Employee Contributions resulting from an agency's retirement coverage error, missed Employee Contributions resulting from military service performed under the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1984 (USERRA), and missed Employee Contributions that are attributable to a back pay award or other retroactive pay adjustment.

Agency makeup contributions include missed Agency Automatic (1%) Contributions resulting from an agency's error or the participant's performance of military service (under USERRA) and missed Agency Matching Contributions attributable to Employee Contributions (which may or may not have been made on time).

- K. **Payroll submission** means a payroll office's entire submission of one or more records (Employee Data Records and/or payment records) and Form TSP-2.
- L. **Posting date** is the date transactions are credited or debited to a participant's account.

### **III. Change in Processing Responsibilities**

#### **A. Making investment decisions**

Upon implementation of the new record keeping system, participants will be required to make all decisions regarding the investment of their contributions and account balances by filing requests directly with the TSP. This means that the TSP record keeper, the National Finance Center (NFC), will be responsible for processing both contribution allocation and interfund transfer requests. As a result, agencies will report contributions by source but will no longer report contributions by investment fund.

1. Participants may use electronic media (i.e., the TSP Web site or the ThriftLine) or paper (i.e., Form TSP-50, described below) to make investment requests. Because the Web site and the ThriftLine are the most efficient ways to make investment requests, participants will be encouraged to use either of the electronic methods to make these requests.
  - a. Electronic contribution allocations and interfund transfer requests received by 11 a.m., central time, of any business day ordinarily will be posted that business day. Contributions and loan payments posted to the account on that day will be invested based on the participant's new contribution allocation at the funds' share prices at the close of business that day; interfund transfers will be executed at the funds' share prices at the close of business that day. Contribution allocations and interfund transfer requests received after the daily deadline or on a non-business day will ordinarily be posted on the next business day.
  - b. Paper contribution allocations and interfund transfer requests will ordinarily be entered into the system within 24 hours of their receipt by NFC. Once the requests are entered, they will be posted according to the rules in section a, above.

Form TSP-50, Investment Allocation, is a new form which will be used for both contribution allocations and interfund transfer requests.

Form TSP-50 will supersede Form TSP-30, Interfund Transfer Request. It will also supersede Section IV, Allocating Contributions, on the TSP Election Form (TSP-1), and Form TSP-1 will be revised accordingly.

2. Participants may make investment requests at any time. This means that changes in contribution allocations will no longer be restricted to TSP open seasons. There will be no limit on the number of contribution allocations or interfund transfers participants may make, although only one contribution allocation and one interfund transfer can be made effective each business day.
3. Until a participant requests a contribution allocation under the new record keeping system, the TSP will invest agency-reported contributions according to the following rules:

a. Current participants

The TSP will derive a participant's contribution allocation by using the allocation of the most recent contribution posted to the account between July 15 and August 31, 2000. If no contributions have been posted to the account during this period, the allocation of an interfund transfer effective as of August 31, 2000, will be used. If there was no interfund transfer, the allocation of the July 31 month-end account balance will be used. If this month-end account balance is zero, the allocation will default to 100% G Fund.

b. Newly eligible participants

TSP contributions of a newly eligible participant will be invested in the G Fund until the participant makes a contribution allocation with the TSP record keeper.

B. Agency responsibilities

1. Agencies will continue to report personal information for their participants to NFC on Employee Data Records.
2. Agencies will continue to determine the amount of the TSP contributions of their participants, deduct the Employee Contributions from the pay of their participants, and report employee and agency contributions to NFC each pay period. (There are no changes to the contribution calculation rules.)

Agencies will report the contributions by source of contribution (i.e., Employee, Agency Automatic (1%), and Matching). However, agencies will no longer determine and report the allocation of these contributions among the TSP investment funds.

- a. During TSP open seasons, participants will continue to file TSP elections with their agencies specifying the amount of their contributions. There will still be two TSP open seasons each year, but after the close of the May 15 through July 31, 2000 open season, the dates of the TSP open seasons will change to October 15 through December 31 and April 15 through June 30. The corresponding election periods will then be the months of December and June.<sup>1</sup>

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<sup>1</sup> New FERS employees hired during the period January 1 through June 30, 2000, will become eligible to participate in the TSP the first full pay period in December 2000 (i.e., the second open season after the appointment). New FERS employees hired during the period July 1 through November 30, 2000, will become eligible to participate in the TSP the first full pay period in June 2001. A future TSP bulletin will contain more information about eligibility, and will include any changes resulting from the enactment of H.R. 208 (see TSP Bulletin 00-2).

- b. Participants will also continue to file elections to terminate their contributions with their agencies. (Elections to terminate contributions may be made at any time.)
  - c. To determine contributions, agencies will continue to use participants' Forms TSP-1 and the basic pay earned during the pay period.
- 3. Agencies will continue to deduct loan payments from the pay of their participants and report these payments to NFC each pay period. (See TSP Bulletin 99-14, dated July 15, 1999, for requirements regarding the submission and processing of loan payments.)
- 4. Agencies will continue to correct their erroneous submissions. However, the method of reporting makeup contributions will change, as explained in Section IV.
- 5. Agencies will continue to compensate their employees for earnings lost as a result of certain agency errors, as required by 5 U.S.C. 8432a. However, agencies will no longer submit separate Lost Earnings Records (51-Records).

Instead, agencies will use Current Payment Records and Late Payment Records to report the dates on which makeup and late contributions should have been invested in participants' accounts (i.e., "as of" dates) according to the rules described in Section IV. The TSP will use the "as of" dates of the contributions to determine the investment of the contribution and the number of shares the contributions would have purchased had they been reported on time, according to the rules described in Section V. If the share prices are higher when the contributions are posted than they were on the "as of" date (i.e., when the contributions should have been invested), the TSP will charge agencies breakage to reflect the increase in the price of the shares since the "as of" date. If the share prices are lower when the contributions are posted than they were on the "as of" date, the excess funds submitted by the agency will be forfeited to the TSP.

#### **IV. Agency Submissions**

##### **A. Employee Data Record (Attachment 1)**

##### **1. Purpose of Employee Data Records**

- a. This is the record that agencies must use to report the personal information about their participants which NFC needs to maintain TSP accounts. Agencies must submit an Employee Data Record to establish the TSP account of a participant when they submit the first payment record for the participant.

If an agency's payroll submission includes an Employee Data Record but does not include a payment record for an employee, the TSP will

reject (i.e., not process) the Employee Data Record if a TSP account has not already been established.

- b. Agencies must also use an Employee Data Record to correct or change data they submitted previously for a participant.

2. Changes to record layout and usage

- a. The Employee Data Record, which is now an "01-Record," will be changed to an "06-Record" when the new system is implemented.
- b. The names of the data elements now known as "Separation Code" and "Separation Date" will be changed to "Employment Code" and "Employment Code Date."
- c. Dates required by this record must be reported using four-digit years. For example, June 5, 2000, must be reported as "year" = 2000; "month" = 06; "day" = 05.
- d. Agencies should submit Employee Data Records only to establish accounts or to correct or change previously submitted information. If agencies submit an Employee Data Record that duplicates a previous submission, the TSP will reject the record.

B. Current Payment Record (Attachment 2)

1. Purpose

Upon implementation of the new record keeping system, agencies must use a Current Payment Record to report current contributions and makeup contributions, except for makeup contributions attributable to a back pay award or other retroactive pay adjustment.

2. Changes to record layout and usage

- a. The Current Payment Record, which is now an "11-Record," will be changed to a "16-Record" when the new system is implemented.
- b. The name of the data element now known as "Effective Date" will be changed to "As of Date." This date should be entered only on records which report makeup contributions, as explained below.
- c. The fund information is eliminated and dates must be reported using four-digit years.
- d. Agencies will be required to submit a separate Current Payment Record for each applicable pay date. Therefore, if a payroll submission contains both current and makeup contributions for a participant, the current contributions and the makeup contributions must be submitted on separate Current Payment Records.

3. Determining “as of” dates

- a. If the record is reporting current contributions, the “as of” date should be blank.
- b. If the record is reporting makeup contributions, the “as of” date is the pay date that the contributions should have been made.
- c. It is critical that the “as of” date for makeup contributions be correct because, as explained in Section V, the “as of” date will be used to determine breakage on agency makeup contributions.
- d. Examples 1 and 2 in Attachment 8 illustrate the submission of Current Payment Records when makeup contributions must be reported.

C. Late Payment Record (Attachment 3)

1. Purpose

Upon implementation of the new record keeping system, agencies must use Late Payment Records to report late contributions and makeup contributions that are attributable to a back pay award or other retroactive pay adjustment.

2. Changes to record layout

- a. The Late Payment Record, which is now a “41-Record,” will be changed to a “46-Record” upon implementation of the new record keeping system.
- b. The name of the data element now known as “Effective Date” will be changed to “As of Date.”
- c. The fund information is eliminated and dates must be reported using four-digit years.

3. Determining “as of” dates

- a. If the record is reporting late contributions, the “as of” date is the pay date that the contributions were originally deducted from pay (but were not reported on time or not processed because of agency error, as the case may be).
- b. If the record is reporting makeup contributions, the “as of” date is the pay date that the contributions would have been made (in light of the back pay award or other retroactive pay adjustment).
- c. All Late Payment Records must contain the “as of” date.



D. Negative Adjustment Record (Attachment 4)

1. Purpose

Agencies must use this record to remove erroneous contributions that they previously reported.

2. Changes to record layout

- a. The Negative Adjustment Record, which is now a “21-Record,” will be changed to a “26-Record” upon implementation of the new record keeping system.
- b. The name of the data element now known as “Effective Date” will be changed to “Attributable Pay Date.”
- c. The fund information is eliminated and dates must be reported using four-digit years.

3. Determining attributable pay dates

- a. If the contributions to be removed were reported as current contributions, the attributable pay date is the “current pay date” which was in the Header Record for the earlier payroll submission (and in item 4 of the Form TSP-2 which accompanied that earlier submission).
- b. If the contributions to be removed were reported as makeup or late contributions, the attributable pay date is the “as of” date that was reported on the earlier payment record.
- c. All Negative Adjustment Records must contain the attributable pay date.

E. Header and Trailer Records (Attachments 5 and 6)

The only change to the Header and Trailer Records, which accompany automated submissions, is that the date required by the records must be reported using four-digit years.

F. Form TSP-2, Certification of Transfer of Funds and Journal Voucher (Attachment 7)

1. Employee Data Records and payment records must be accompanied by Form TSP-2 to certify the accuracy of the data on the records and to authorize the transfer of the funds from the agency to the TSP.
2. Changes to Form TSP-2 include:
  - a. Modification of the certification to acknowledge that the TSP will credit all amounts transmitted by the payment records even if the total amount shown on Form TSP-2 is less.

- b. Modification of the certification to acknowledge that the TSP will calculate breakage for all records if the posting date is more than two business days after the “current pay date” (reported in Item 4 of Form TSP-2 and in the Header Record). (See Section V.)

This is a change from the current process in which lost earnings are automatically calculated by the TSP system only if the payroll submission is posted more than 30 days after the “date payroll paid” (which is Item 4 on the current Form TSP-2).

- c. Modification of the certification to acknowledge that the TSP will calculate breakage for individual records. (See Section V.)

## **V. Processing Agency Submissions**

### **A. Determining investment of contributions**

As explained in Section I, when contributions are posted to a participant’s account, the TSP, on the participant’s behalf, will buy shares at the daily share price of the applicable investment fund. Generally, the applicable investment fund and the number of shares to be purchased (i.e., the investment considerations) will be based upon the participant’s contribution allocation and the share price(s) on the posting date.

However, if the agency submission is late or if the participant is entitled to lost earnings, a retroactive process will be applied, and the investment considerations will be based upon the participant’s contribution allocation and the share price(s) on the appropriate “as of” date.

Thus, the investment considerations will be determined as follows:

1. Current contributions and employee makeup contributions submitted on Current Payment Records
  - a. If NFC posts the contributions before, on, or up to two business days after the current pay date, which must be reported on Form TSP-2 in Item 4 and in the Header Record, the investment considerations will be determined using the participant’s contribution allocation and the share price(s) on the posting date.
  - b. If NFC posts the contributions more than two business days after the current pay date, the investment considerations will be determined using the participant’s contribution allocation and the share price(s) on the current pay date which is reported on Form TSP-2 and in the Header Record.
  - c. In Example 1 of Attachment 8, the current pay date is January 10, 2001. Thus, if the current contributions reported by this payroll submission are posted on January 9, the investment considerations will

be those for the posting date (January 9). If the contributions are posted on January 12, the investment considerations will also be those for the posting date (January 12). If, however, the contributions are posted on or after January 13, the investment considerations will be those for January 10 (the current pay date), because the contributions are then considered to be late.

Also, if the employee makeup contributions of Example 1 (i.e., those contributions with “as of” dates of November 29, December 13, and December 27) are posted on January 9, the investment considerations will be those for January 9. If the contributions are posted on January 12, the investment considerations will also be those on January 12. If, however, the contributions are posted on or after January 13, the investment considerations will be those for January 10 (the current pay date) because the contributions are then considered to be late. (The investment considerations for such employee makeup contributions are **not** those for the reported “as of” date because, as explained below, participants are not entitled to lost earnings on employee makeup contributions that were not actually deducted from their pay.)

2. Agency makeup contributions submitted on Current Payment Records and contributions from all sources submitted on Late Payment Records

Generally, the investment considerations for agency makeup contributions and all contributions submitted on Late Payment Records will be those of the “as of” date.

Thus, in Example 1, the investment allocation and share prices for the agency makeup contributions reported by record (1) would be those for November 29; the agency makeup contributions reported by record (2) would be those for December 13; and the agency makeup contributions reported by record (3) would be those for December 27 (despite when the contributions are posted).

B. Charging agencies breakage

1. By law, participants are entitled to lost earnings on certain contributions that, as a result of agency error, were not invested when they should have been (and which the employee did not otherwise receive). However, participants are not entitled to lost earnings on Employee Contributions that were not actually deducted from their pay.<sup>2</sup>

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<sup>2</sup> The reasoning is that, because the agency failed to deduct TSP contributions from an employee’s pay, albeit erroneously, the employee had use of the money — whether for spending or saving. The agency therefore should not be required to pay the employee earnings on such amounts, since this would be tantamount to double compensation.

Thus, our regulations require agencies to pay lost earnings on agency makeup contributions, on employee makeup contributions attributable to a back pay award or other retroactive pay adjustments, and on late contributions, but they prohibit the payment of lost earnings on other employee makeup contributions.<sup>3</sup>

2. The retroactive process described above compensates participants for missed investments and takes the place of the current lost earnings process. When investment considerations of contributions are based on an “as of” date, participants receive the same number of shares of the applicable investment fund(s) that they would have received had the contributions been invested on time. Consequently, their accounts are in the same position they would have been had the contributions been posted when they should have been.
3. Because different rules regarding entitlement to lost earnings apply to employee makeup contributions attributable to a back pay award or other retroactive pay adjustment than apply to employee makeup contributions attributable to other errors, agencies must ensure that they submit employee makeup contributions on the correct payment record.

As explained above, employee makeup contributions submitted on Current Payment Records will be invested based on the investment considerations on the posting date (unless the entire payroll submission is late). Employee makeup contributions submitted on Late Payment Records will be invested based on the investment considerations on the “as of” date.

4. Instead of being charged for lost earnings, agencies will be charged the breakage which results from the retroactive “as of” process.

In Example 1 of Attachment 8, the “as of” date reported by record (1) is November 29, 2000. If, on November 29, the price of a share of the investment fund in which these contributions should have been invested was \$10, the Agency Automatic (1%) Contribution that should have been made on that date (\$10) would have purchased 1 share of the fund and the Agency Matching Contribution that should have been made (\$40) would have purchased 4 shares. Consequently, the TSP will purchase 5 shares for the participant on the posting date, charging him or her the November 29 share price of \$10. If the actual price of a share on the posting date is

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<sup>3</sup> Generally, lost earnings are determined using the rates of return for the funds in which the participant had elected to invest at the time the error was made (i.e., according to the participant’s contribution allocation for the “as of” date). However, lost earnings on agency makeup contributions attributable to the application of the provisions of USERRA and lost earnings on makeup contributions resulting from a back pay award for an erroneous separation are determined using the rates of return for the G Fund. Consequently, agencies will be asked to use a different journal voucher (Form TSP-2-G) to submit such makeup contributions requiring G Fund investment. A future bulletin will contain and explain this new journal voucher.

\$11, the TSP will charge the agency an additional \$5 for breakage. That is, if the cost of a share on the posting date is higher than it was on the “as of” date, the TSP will charge the agency the difference. The participant will have been made whole because he or she will have 5 shares worth \$55, as he or she should.

If, however, the cost of a share on the posting date is lower than it was on the “as of” date, the additional funds that the agency reported will be forfeited to the TSP. For example, if the actual cost of a share on the posting date is \$9, then \$5 of the agency-reported \$50 will be forfeited to the TSP.

(As previously noted, the employee makeup contributions reported on the Current Payment Record (\$50 in Example 1) are **not** subject to breakage, and the TSP will use the contribution allocation and share price(s) on the posting date to determine the applicable investment fund and number of shares to be purchased.)

#### C. Application of elective deferral limit

For purposes of applying the IRS annual elective deferral limit, the TSP will use the current year for current employee contributions and the year of the “as of” date for makeup and late contributions. Thus, employee makeup and late contributions will count against the limit for the year in which they should have been made.

In Example 1 of Attachment 8, the Employee Contributions reported by records (1), (2), and (3) count against the annual limit for 2000 (even though they were not deducted from the participant’s pay until 2001) and the Employee Contributions reported by record (4) count against the annual limit for 2001.

#### D. Reasons for rejecting records

Generally, the TSP record keeper will process all agency-reported contributions. If the processed contributions appear erroneous (e.g., agency contributions submitted for a CSRS participant), the TSP record keeper will notify the agency of the apparent error, and if, after investigation, the agency determines the contributions are erroneous, the agency must submit Negative Adjustment Records to remove them.

Certain agency-reported contributions, however, will not be processed, as explained below.

1. A Current Payment Record will not be processed (i.e., it will be rejected) if:
  - a. A TSP account has not been established for the participant (i.e., NFC has not processed an Employee Data Record), or

- b. The participant has separated and the account has been totally withdrawn or forfeited.<sup>4</sup>
- 2. Employee and Agency Matching Contributions reported on Current or Late Payment Records will not be processed if:
  - a. The amount of the Employee Contribution would cause the Employee Contributions to exceed the applicable IRS annual elective deferral limit,<sup>5</sup> or
  - b. The participant is not eligible to make Employee Contributions (and if FERS, receive Agency Matching Contributions) because he or she received a financial hardship withdrawal and has not yet satisfied the six-month noncontribution requirement.

The Agency Automatic (1%) Contributions reported on such Current Payment Records, however, will be processed.

## **VI. Electronic Data Interchanges**

### **A. Transmission from agencies to NFC**

In addition to the current methods of submitting TSP contributions (i.e., direct file transfer using SNA (systems network architecture) protocol, magnetic tape, diskette, or paper Form TSP-5), agencies will be able to submit data electronically via modem (Connect Direct) or the Internet. If agencies use Connect Direct, the signed Form TSP-2 must be faxed to NFC.

Agencies, however, need not wait for implementation of the new TSP record keeping system if they want to submit data electronically. Connect Direct is available now, and agencies are encouraged to take advantage of this electronic method for submitting data. For more information about Connect Direct, including instructions for using it, agencies should call the TSP Operations Office at (504) 255-5110.

### **B. Transmission from NFC to agencies**

Agencies will also have the capability to retrieve selected data about their TSP participants electronically. More detail regarding this will be provided later.

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<sup>4</sup> In addition, records containing data integrity errors will not be processed. For example, if a record contains a payment amount that is not numeric or a date that is not a valid date, the record will be rejected.

<sup>5</sup> Employee Contributions and attributable Agency Matching Contributions will also be rejected if the participant received a refund of excess deferrals for the year indicated by the effective date on the record.

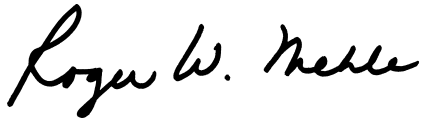
## **VII. Time Line**

- A. The new record keeping system will become operational October 1, 2000.
- B. Agencies should continue to submit Employee Data Records (01-Records) and current payments on Current Payment Records (11-Records) to NFC using the current procedures through September 30, 2000.
- C. Agencies should also continue to submit Negative Adjustment Records (21-Records) to NFC using the current procedures through September 30, 2000. However, the TSP will process records submitted during September 2000 in October using the procedures established for the new record keeping system.
- D. Agencies should **not** submit Late Payment Records (41-Records) or any Current Payment Records (11-Records) containing employee or agency makeup contributions in September 2000. These contributions must be held and submitted after September 30, 2000, using the new Late Payment Records (46-Records) and Current Payment Records (16-Records), respectively. (Attachment 9 is a sample letter for agencies to use to inform employees that makeup contributions will not be deducted in September.)
  - 1. Late Payment Records (41-Records) received by NFC in September will be rejected.
  - 2. Current Payment Records (11-Records) received by NFC in September will be processed (if they meet the current system edits), but the system will not be able to determine lost earnings for any makeup contributions contained on the 11-Records. Consequently, if agencies mistakenly include any makeup contributions on the 11-Records they submit in September, erroneous postings of those contributions to participants' accounts (i.e., without lost earnings) will result.
- E. Agencies must begin using the new record layouts to report employee data and payments after September 30.

## **VIII. Agency Preparatory/Cleanup Activities**

Correct those errors now which have been already identified. The new record keeping system will have only two years of detail on-line. All other account detail will be archived, and it will require special processing to correct errors involving such transactions.

In addition, because of the changes required by the new share-based record keeping system, pre-conversion errors may not be corrected precisely.



ROGER W. MEHLE  
Executive Director

- Attachments:
- 1 – Employee Data Record - 06
  - 2 – Current Payment Record - 16
  - 3 – Late Payment Record - 46
  - 4 – Negative Adjustment Record - 26
  - 5 – Header Record
  - 6 – Trailer Record
  - 7 – Form TSP-2, Certification of Transfer of Funds and Journal Voucher
  - 8 – Examples 1 and 2
  - 9 – Sample Letter



## Proposed Employee Data Record - 06

APPLICATION		FILE ORGANIZATION				RCD SIZE		BLOCK SIZE				
THRIFT SAVINGS PLAN SYSTEM		VARIABLE BLOCK				250						
DESCRIPTION	FORMAT	9(09)	9(04)	9(02)	9(02)	9(04)	9(02)	9(02)	9(02)	X(17)	X(12)	X(12)
TSP Employee Data Record  RECORD NUMBER "06"	D A T A	SSN	Date of Birth			Current Pay Date			Record Type  "06"	Participant Name		
			Year	Month	Day	Year	Month	Day		Last Name	First Name	Middle Name
	LENGTH	9	4	2	2	4	2	2	2	17	12	12
	POS	01-09	10-13	14-15	16-17	18-21	22-23	24-25	26-27	28-44	45-56	57-68

9(09)	9(04)	9(02)	9(02)	X(25)	X(25)	X(25)	X(20)	X(03)	X(09)	X(01)	9(04)	9(02)	9(02)
Previous/ Erroneous SSN	Previous/Erroneous Date Of Birth			Address						TSP Status Code	TSP Status Date		
	Year	Month	Day	First Line of Address	Second Line of Address	Third Line of Address	City	State/ Country Code	ZIP Code		Year	Month	Day
9	4	2	2	25	25	25	20	3	9	1	4	2	2
69-77	78-81	82-83	84-85	86-110	111-135	136-160	161-180	181-183	184-192	193	194-197	198-199	200-201

X(02)	X(02)	9(04)	9(08)	9(04)	9(02)	9(02)	9(01)	X(01)	X(01)	9(04)	9(02)	9(02)	X(14)
Employment Location				TSP-SCD			TSP Vesting Code	Retirement Code	Employment Code	Employment Code Date			FILLER
Department Code	Agency Code	Personnel Office Indicator	Payroll Office Number	Year	Month	Day				Year	Month	Day	
2	2	4	8	4	2	2	1	1	1	4	2	2	14
202-203	204-205	206-209	210-217	218-221	222-223	224-225	226	227	228	229-232	233-234	235-236	237-250

**Proposed Current Payment Record - 16**

APPLICATION							BLOCK SIZE		
THRIFT SAVINGS PLAN SYSTEM									
DESCRIPTION	FORMAT	9(09)	9(04)	9(02)	9(02)	9(04)	9(02)	9(02)	9(02)
TSP Current Payment Record	D A T A	SSN	Date Of Birth			“As of” Date			Record Type "16"
			Year	Month	Day	Year	Month	Day	
	RECORD NUMBER "16"	LENGTH	9	4	2	2	4	2	2
	POS	01-09	10-13	14-15	16-17	18-21	22-23	24-25	26-27

X(18)	S9(04)V99	X(42)	S9(04)V99
FILLER	Employee Contributions	FILLER	Agency Automatic (1%) Contributions
18	6	42	6
28-45	46-51	52-93	94-99

X(18)	S9(04)V99	X(02)	X(02)	X(23)	
FILLER	Agency Matching Contributions	Department Code	Agency Code	FILLER	
18	6	2	2	23	
100-117	118-123	124-125	126-127	128-150	

## Proposed Late Payment Record - 46

APPLICATION						BLOCK SIZE			
THRIFT SAVINGS PLAN SYSTEM									
DESCRIPTION	FORMAT	9(09)	9(04)	9(02)	9(02)	9(04)	9(02)	9(02)	9(02)
TSP Late Payment Record	D A T A	SSN	Date of Birth			"As of" Date			Record Type "46"
			Year	Month	Day	Year	Month	Day	
RECORD NUMBER	LENGTH	9	4	2	2	4	2	2	2
"46"	POS	01-09	10-13	14-15	16-17	18-21	22-23	24-25	26-27

X(18)	S9(04)V99	X(42)	S9(04)V99
FILLER	Employee Contributions	FILLER	Agency Automatic (1%) Contributions
18	6	42	6
28-45	46-51	52-93	94-99

X(18)	S9(04)V99	X(02)	X(02)	X(23)	
FILLER	Agency Matching Contributions	Department Code	Agency Code	FILLER	
18	6	2	2	23	
100-117	118-123	124-125	126-127	128-150	

**Proposed Negative Adjustment Record - 26**

APPLICATION							BLOCK SIZE		
THRIFT SAVINGS PLAN SYSTEM									
DESCRIPTION	FORMAT	9(09)	9(04)	9(02)	9(02)	9(04)	9(02)	9(02)	9(02)
TSP Negative Adjustment Record  RECORD NUMBER "26"	D A T A	SSN	Date Of Birth			Attributable Pay Date			Record Type  "26"
			Year	Month	Day	Year	Month	Day	
	LENGTH	9	4	2	2	4	2	2	2
	POS	01-09	10-13	14-15	16-17	18-21	22-23	24-25	26-27

X(18)	S9(04)V99	X(42)	S9(04)V99
FILLER	Employee Contributions Adjustment	FILLER	Agency Automatic (1%) Contributions Adjustment
18	6	42	6
28-45	46-51	52-93	94-99

X(18)	S9(04)V99	X(02)	X(02)	X(23)	
FILLER	Agency Matching Contributions Adjustment	Department Code	Agency Code	FILLER	
18	6	2	2	23	
100-117	118-123	124-125	126-127	128-150	

**Proposed Header Record - Employee Data, Payment, and Negative Adjustment**

APPLICATION		FILE ORGANIZATION			RCD SIZE		BLOCK SIZE	
THRIFT SAVINGS PLAN SYSTEM		VARIABLE BLOCK			80			
DESCRIPTION	FORMAT	X(04)	X(06)	9(04)	9(02)	9(02)	9(08)	X(30)
FORM TSP-2/2I  Header Record	D A T A	DHD6	Journal Voucher Number	Current Pay Date			Payroll Office Number	Payroll Office Contact Name
				Year	Month	Day		
	LENGTH	4	6	4	2	2	8	30
	POS	01-04	05-10	11-14	15-16	17-18	19-26	27-56

9(03)	9(03)	9(04)	X(14)
Payroll Office Contact Phone Number			FILLER
Area Code	Exchange	Number	
3	3	4	
57-59	60-62	63-66	14
			67-80

**Proposed Trailer Record - Employee Data, Payment, and Negative Adjustment**

APPLICATION		FILE ORGANIZATION				RCD SIZE	BLOCK SIZE	
THRIFT SAVINGS PLAN SYSTEM		VARIABLE BLOCK				200		
DESCRIPTION	FORMAT	X(04)	S9(12)V(02)	X(14)	S9(12)V(02)	S9(12)V(02)	S9(12)V(02)	X(14)
FORM TSP-2/2I Trailer Record	D A T A	TRLR	Employee Contributions Total	FILLER	Agency Automatic (1%) Contributions Total	Agency Matching Contributions Total	Employee Contributions Adjustment Total	FILLER
	LENGTH	4	14	14	14	14	14	14
	POS	01-04	05-18	19-32	33-46	47-60	61-74	75-88

S9(12)V(02)	S9(12)V(02)	S9(08)	S9(08)	S9(08)	S9(09)V99	X(49)
Agency Automatic (1%) Contributions Adjustment Total	Agency Matching Contributions Adjustment Total	Total Number of Employee Data Records	Total Number of Payment Records	Total Number of Adjustment Records	Fiduciary Insurance	FILLER
14	14	8	8	8	11	49
89-102	103-116	117-124	125-132	133-140	141-151	152-200



# THRIFT SAVINGS PLAN

## CERTIFICATION OF TRANSFER OF FUNDS AND JOURNAL VOUCHER

**TSP-2****I. IDENTIFICATION**

To: Thrift Savings Plan National Finance Center P.O. Box 61500 New Orleans, LA 70161-1500 Telephone: (504) 255-5110 FAX Number: (504) 255-4132		1. From:	
2. Payroll Office Number	3. Journal Voucher Report Number	4. Current Pay Date (mm/dd/yyyy)	5. Type of Media <input type="checkbox"/> Electronic Submission <input type="checkbox"/> Tape <input type="checkbox"/> Disk <input type="checkbox"/> TSP-5
6. Reel Number	7. Reel Date (mm/dd/yyyy)	8. Back-up Number (If applicable)	9. Back-up Date (mm/dd/yyyy)

**II. RECORDS SUBMITTED**

10. Number of Employee Data Records		
11. Number of Current Payment Records		
12. Number of Late Payment Records		
13. Number of Negative Adjustment Records		
14. Total Number of Records		

**III. RECORDS BY CONTRIBUTION SOURCE**

	Total Current and Late Payment Records	Total Negative Adjustment Records
Employee Contributions	15. \$	19. \$
Agency Automatic (1%) Contributions	16. \$	20. \$
Agency Matching Contributions	17. \$	21. \$
<b>Totals</b>	18. \$	22. \$
<b>Control Total</b>		23. \$

**IV. CERTIFICATION**

I certify that (1) prudent measures have been taken to ensure that the TSP transactions associated with this voucher are correct according to applicable law and TSP procedures; (2) the amount in Block 18 is available to be credited to the TSP receipt account and, if transactions submitted exceed this amount, the excess is also available to be credited to the TSP receipt account; and (3) the amount in Block 22 may be credited to this agency's account if found to be correct. I understand that (1) the amount of the credit may be reduced by any investment losses computed by the TSP in connection with the money to be returned to the agency and by any amounts that, under applicable law or TSP procedures, may not be returned to this agency; (2) if this payroll submission reports makeup or late contributions, the TSP System will calculate the associated breakage and charge this agency's Treasury account the attributable expense; and (3) if this payroll submission is processed more than two business days after the "Current Pay Date," the TSP System will credit contributions to participants' accounts as of the "Current Pay Date," calculate the resulting breakage, and charge this agency's Treasury account with the attributable expense. Such additional charges will be reversed only if it is established that the late processing was caused by TSP record keeper error.

24. \_\_\_\_\_  
Typed or Printed Name of Authorized Administrative or Certifying Officer

25. \_\_\_\_\_  
Signature of Authorized Administrative or Certifying Officer

26. (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_  
Telephone (Area Code and Number)

27. (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_  
Telefax (Area Code and Number)

28. \_\_\_\_\_  
Date Certified

**Reproduce Locally**Form TSP-2 (5/2000)  
PREVIOUS EDITIONS OBSOLETE

# INSTRUCTIONS

# TSP-2

Data may be submitted electronically or on magnetic tape, diskette, or Form(s) TSP-5. Submit only one type of media with this form. Mail completed form and magnetic tape, diskette, or Form(s) TSP-5 to the address on the front of the form.

## I. IDENTIFICATION

**Block 1, From.** Enter address of sender. Include payroll office name, address, and Zip Code.

**Block 2, Payroll Office Number.** Enter assigned 8-position payroll office number in XX-XX-XXXX format.

**Block 3, Journal Voucher Report Number.** Enter 6-position report number. The first two positions represent the calendar year of the reporting pay period. The last four positions represent a sequential number beginning with 0001 and increasing sequentially. This number will serve as a control over receipt of the reports. For example, 000001 would be the first JV report number submitted in the year 2000.

**Block 4, Current Pay Date.** Enter date payroll paid in mm/dd/yyyy format.

**Block 5, Type of Media.** Indicate whether you are making an electronic submission or submitting a magnetic tape, a diskette, or Form(s) TSP-5.

**Block 6, Reel Number.** Enter reel number of magnetic tape sent, if applicable.

**Block 7, Reel Date.** Enter date reel was created. Use mm/dd/yyyy format.

**Block 8, Back-up Reel Number (if applicable).** Complete this section if duplicate (back-up) magnetic tape is submitted with this form.

**Block 9, Back-up Reel Date.** If Block 8 is completed, enter date back-up reel was created. Use mm/dd/yyyy format.

## II. RECORDS SUBMITTED

**Block 10, Number of Employee Data Records.** Enter total number of employee data records (Record Type 06) submitted.

**Block 11, Number of Current Payment Records.** Enter total number of current payment records (Record Type 16) submitted.

**Block 12, Number of Late Payment Records.** Enter total number of late payment records (Record Type 46) submitted.

**Block 13, Number of Negative Adjustment Records.** Enter total number of negative adjustment records (Record Type 26) submitted.

**Block 14, Total Number of Records.** Enter the total number of records submitted. This is equal to the sum of Blocks 10, 11, 12, and 13 and excludes magnetic media header and trailer records.

## III. RECORDS BY CONTRIBUTION SOURCE

**Current payment records** (Items 15 – 18) are 16-Records used to submit current contributions and makeup contributions except those that are attributable to a back pay award or other retroactive pay adjustment. **Late payment records** are 46-Records used to submit late contributions and makeup contributions attributable to a back pay award or other retroactive pay adjustment. **Negative adjustment records** (Items 19 – 22) are 26-Records used to remove erroneous contributions previously reported.

**Block 15, Total Employee Contributions.** Enter total employee contributions.

**Block 16, Total Agency Automatic (1%) Contributions.** Enter total agency automatic (1%) contributions.

**Block 17, Total Agency Matching Contributions.** Enter total agency matching contributions.

**Block 18, Total Current and Late Payment Records Amount.** Enter total employee contributions and agency contributions. This is equal to the sum of Blocks 15, 16, and 17.

**Block 19, Total Employee Contributions.** Enter total of adjustments to employee contributions.

**Block 20, Total Agency Automatic (1%) Contributions.** Enter total adjustments to agency automatic (1%) contributions.

**Block 21, Total Agency Matching Contributions.** Enter total adjustments to agency matching contributions.

**Block 22, Total Negative Adjustment Records Amount.** Enter total adjustments to employee and agency contributions. This is equal to the sum of Blocks 19, 20, and 21.

**Block 23, Control Total.** Subtract Box 22 from Box 18 and enter amount here. (This figure is used only for verification of data entry.)

## IV. CERTIFICATION

**Block 24, Typed Name of Authorized Administrative or Certifying Officer.** Type or print name of official who is responsible for the accuracy of this voucher and the data it transmits.

**Block 25, Signature of Authorized Administrative or Certifying Officer.** Signature of person named in Block 24.

**Block 26, Telephone Number.** Enter telephone number of certifying officer, including area code.

**Block 27, Telefax Number.** Enter telefax number of certifying officer, including area code.

**Block 28, Date Certified.** Enter date the document is signed.



## EXAMPLE 1

A FERS participant who elected to contribute 5% to the TSP from his basic pay of \$1,000 per pay period transfers to Agency B effective November 5, 2000. However, Agency B does not begin TSP contributions for the participant until the pay date of January 10, 2001.

Consequently, the participant is entitled to a current contribution of \$50 for the pay date of January 10, 2001, and makeup Agency Automatic (1%) Contributions totaling \$30 for the pay dates of November 29, December 13, and December 27, 2000 (assuming pay period ending dates of November 18, December 2, and December 16 and an 11-day pay lag). In addition, the participant elects to make up the missed Employee Contributions as a single deduction of \$150 from the January 10 pay. Consequently, the participant is also entitled to 4% makeup Agency Matching Contributions for the missed pay dates.

Agency B's payroll submission for the pay date of January 10, 2001, would include four Current Payment Records for the participant. The records would include the "as of" dates and amounts of contributions as follows:

(1)	2000/11/29	\$50 Employee \$10 Agency Automatic (1%) \$40 Agency Matching	} <i>These are the makeup contributions in respect of November 29, 2000.</i>
(2)	2000/12/13	\$50 Employee \$10 Agency Automatic (1%) \$40 Agency Matching	} <i>These are the makeup contributions in respect of December 13, 2000.</i>
(3)	2000/12/27	\$50 Employee \$10 Agency Automatic (1%) \$40 Agency Matching	} <i>These are the makeup contributions in respect of December 27, 2000.</i>
(4)	[Blank]	\$50 Employee \$10 Agency Automatic (1%) \$40 Agency Matching	} <i>These are the current contributions.</i>

## EXAMPLE 2

If the participant described in Example 1 elects to make up the missed Employee Contributions as deductions from the next two paychecks, one-half of the total employee makeup contributions should be deducted from the January 10, 2001, paycheck (i.e., one half of \$150) and one-half should be deducted from the January 24 paycheck. Also, one-half of the attributable Agency Matching Contributions (i.e., one-half of \$120) should be reported for the January 10 pay date and one-half should be reported for the January 24 pay date. All the makeup Agency Automatic (1%) Contributions should be reported on the first payroll submission (i.e., for the January 10 pay date).

Consequently, the records for the pay date of January 10, 2001, would include the “as of” dates and amounts of contributions as follows:

(1)	2000/11/29	\$50 Employee \$10 Agency Automatic (1%) \$40 Agency Matching	}	<i>These are one-half of the employee makeup contributions, the attributable Agency Matching Contributions, and the entire Agency Automatic (1%) Contribution in respect of November 29 and December 13, 2000.</i>
(2)	2000/12/13	\$25 Employee \$10 Agency Automatic (1%) \$20 Agency Matching		
(3)	2000/12/27	\$10 Agency Automatic (1%)	}	<i>This is the entire Agency Automatic (1%) Contribution in respect of December 27, 2000.</i>
(4)	[Blank]	\$50 Employee \$10 Agency Automatic (1%) \$40 Agency Matching	}	<i>These are the current contributions.</i>

The records for the pay date of January 24, 2001, would include the “as of” dates and amounts of contributions as follows:

(1)	2000/12/13	\$25 Employee \$20 Agency Matching	}	<i>These are the remaining employee makeup contributions and the attributable Agency Matching Contributions in respect of December 13 and December 27, 2000. (Note that the employee makeup contribution in respect of December 13 is \$50; one-half of this contribution was made on the previous pay date.)</i>
(2)	2000/12/27	\$50 Employee \$40 Agency Matching		
(3)	[Blank]	\$50 Employee \$10 Agency Automatic (1%) \$40 Agency Matching	}	<i>These are the current contributions.</i>

SAMPLE LETTER

Dear XXXX:

The Federal Retirement Thrift Investment Board has informed agencies that we should not submit makeup contributions to the Thrift Savings Plan (TSP) during the month of September 2000. This restriction is due to the actions that must be taken by the TSP record keeper in September to accomplish the transition to the new record keeping system on October 2.

Consequently, we will not deduct your scheduled makeup contributions from your pay check(s) in September. In October, we will resume the deductions for your makeup contributions according to your established schedule. Please contact XXXX at XXXX if you have any questions about this.